GOVERNMENT OF INDIA
STATISTICS AND PROGRAMME IMPLEMENTATION
LOK SABHA

UNSTARRED QUESTION NO:5413
ANSWERED ON:29.08.2001
MONITORING OF CENTRAL PROJECTS
SULTAN SALAHUDDIN OWAISI

Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether project management division of his Ministry has been entrusted with the task of monitoring of central projects costing Rs. twenty crore and above;

(b) if so, the number of projects on the monitor of the Ministry as on 31 March, 2001;

(c) whether it is a fact that in spite of Inspection of Standing Committee working in each Ministry except railways, the escalation cost of these projects has gone by 15.5% of their original cost;

(d) if so, the details thereof; and

(e) steps taken or being taken by his Ministry for vigorous appraisal of the projects?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN THE MINISTRIES OF PLANNING, STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) Yes, Sir.

(b), (c) & (d) As on 31st March,2001, 466 projects, each costing Rs.20 crores and above, were on the monitor of the Ministry of Statistics & Programme Implementation. The cost of these projects with respect to the originally approved cost, has increased from Rs.1,23,359.7 crores to Rs.1,67,745 crores, resulting in a cost overrun of 36%. With respect to the latest approved cost, it has escalated from Rs.1,43,345 crores to Rs.1,67,745 crores, showing an increase of Rs.24,400 crores, i.e., 17%. A detailed break-up of sector-wise cost overuns of projects w.r.t. the original and latest approved costs is given in the enclosed statement.

(e) The steps taken for closer monitoring of the projects include:

(i) review of projects on monthly as well as quarterly basis by the Government;

(ii) indepth critical review of the progress by the Project Authorities and the administrative Ministries and follow up with the State Governments (for acquisition of land and provision of infrastructure facilities like water and power, ensuring law & order at project sites, etc.), consultants and other concerned agencies to minimise delays;

(iii) setting up of an Empowered Committee in the concerned administrative Ministries for resolution of problems;

(iv) inter-ministerial coordination for resolving problems of inter-ministerial nature;

(v) making available matching funds on yearly basis based on updated cost to complete the projects in the advanced stages of implementation along with the revised completion schedule;

(vi) reviews by the Ministers-in-charge, the Prime Minister`s Office and the Cabinet Secretariat; and

(vii) In order to bring accountability in the execution of projects, Standing Committees have been set up in 25 Ministries/Departments excluding Railways, for projects costing Rs.50 crores and above, which have reported time & cost overruns.These Committees are headed by Additional Secretary or Joint Secretary of the concerned Ministry with representatives from Planning Commission, Department of Expenditure and Ministry of Statistics & Programme Implementation. The Standing Committees, set up as per the guidelines of the Planning Commission issued in August, 1998, have the mandate to go into the details of time and cost overruns and to identify the respective responsibility areas and to suggest remedial action. The reports of the Standing Committees form part of the revised cost estimates of projects which have time and cost overruns and the same are submitted, along with the note for Revised Cost Estimates, to the Public Investment Board (PIB) and the Notefor consideration of the Cabinet Committee on Economic Affairs (CCEA).

Annexure

ENCLOSURE TO LOK SABHA UNSTARRED QUESTION NO.5413 DUE FOR 29-08-2001

S.No.	SECTOR	NO.OF PROJ- ECTS	TOTAL COST (RS. CRS) ORIG- INAL COST	ANTIC_ IPATED OVER RUN(%)	COST - IPATED COST	CUMULATIVE PROJ. WITH COST OVER RUN NO.	UPTO ORGI. EASE (IN RS. CRORES)	ANTIC- IPATED COST	%INCR- EASE	EXPENDITURE MARCH,2001
1.	ATOMIC ENERGY	24	4370.0	9913.1	126.8	4	3548.7	9091.8	156.2	2086.06
2.	CIVIL AVIATION	9	348.5	423.0	21.4	5	191.0	265.5	39.0	210.33
3.	COAL	54	10835.0	11841.0	9.3	10	4488.2	6002.9	33.8	6683.05
4.	FINANCE	1	118.3	301.8	155.2	1	118.3	301.8	155.2	268.19
5.	FERTILISERS	6	681.0	821.4	20.6	1	350.0	509.4	45.5	183.71
6.	I & B	4	168.4	215.8	28.2	1	34.2	81.6	138.9	78.31
7	MINES	4	3807.5	3807.5	0.0	0	0.0	0.0	0.0	1732.15
8.	STEEL	7	1460.0	1608.8	10.2	3	1113.3	1328.1	19.3	1167.80
9.	PETROLEUM	45	31640.4	31482.8	-0.5	3	2390.0	2584.0	8.1	4035.58
10.	POWER	31	30445.5	48870.3	60.5	14	21810.3	40247.0	84.5	19027.02
11.	HEALTH & FW	3	159.9	780.9	388.2	3	159.9	780.9	388.2	104.83
12.	RAILWAYS	193	26443.8	38446.3	45.4	132	18140.6	30199.5	66.5	11891.17
13.	SURFACE TRANSPORT	68	6659.7	9528.7	43.1	29	3791.7	6786.1	79.0	5242.46
14.	TELECOMMUNICATION	8	1004.0	1004.0	0.0	0	0.0	0.0	0.0	706.61
15.	URBAN DEVELOPMENT	9	5217.9	8699.8	66.7	7	5159.5	8642.0	67.5	1028.86
	TOTAL	466	123359.7	167745.1	36.0	213	61295.7	106820.5	74.3	54446.13